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In the

Supreme Court of the United States

OCTOBER TERM, 1970

No. 777

HOLIDAY INNS OF AMERICA, INC.,

Petitioner,

vs.

EUGENE W. ZIMMERMAN, trading and doing business as the HOLIDAY MOTOR HOTELS; HOLIDAY INN HOTEL COURTS, INC., a corporation; HOLIDAY MOTOR HOTEL, INC., a corporation; HOLIDAY MOTEL AND INN, INC., a corporation; and HOLIDAY MOTOR HOTEL RESTAURANT, INC., a corporation,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE SUPREME COURT OF PENNSYLVANIA

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Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE SUPREME COURT OF PENNSYLVANIA

Holiday Inns of America, Inc. prays that a writ of certiorari issue to review the judgment of the Supreme Court of Pennsylvania entered in the above entitled case on May 28, 1970, rehearing denied July 2, 1970.

OPINIONS BELOW

The opinion of the Supreme Court of Pennsylvania is reported at 266 A. 2d 87 (166 USPQ 52). A prior opinion had been delivered by the Court of Common Pleas of Allegheny County, Pennsylvania, Civil Division which is unreported but is reproduced in the Appendix hereto. (App. 24a)

JURISDICTION

The final judgment of the Supreme Court of Pennsylvania was dated May 28, 1970 (App. 12 a). A timely petition for rehearing was denied on July 2, 1970 (App. 11a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1257(3).

QUESTIONS PRESENTED

1. May a state court decide a question of infringement of a federally registered service mark by interposing local law which is contrary to the controlling provisions of the Federal Trademark Act, thus denying the owner of such mark the relief to which it is entitled under said Act?

2. Has Congress so preempted the fields of trademarks and unfair competition in commerce as to make federal statutory and decisional law controlling when cases in those fields are tried in state courts?

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

This case involves the purpose and provisions of the Constitution of the United States and the trademark laws of the United States. The Constitutional provision is Article 1, § 8, commerce clause. Statutory provisions particularly involved are as follows:

Title 15—Trademark (Lanham) Act of 1946

Section 3	(15 U.S.C. § 1053)
Section 5	(15 U.S.C. § 1055)
Section 7(b)	(15 U.S.C. § 1057b)
Section 15	(15 U.S.C. § 1065)
Section 32(1)	(15 U.S.C. § 1114(1))
Section 33(a) and (b)	(15 U.S.C. § 1115a and b)
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Title 15—Federal Trade Commission Act

Section 5	(15 U.S.C. § 45)

Title 28—Judiciary and Judicial Procedure

Section 1257(3
Section 1338(a) and (b)

STATEMENT OF THE CASE

Petitioner, Holiday Inns of America, Inc. ("Holiday Inns"), is a national system of franchised motels operating under the federally registered service mark HOLIDAY INN. (App. 67a) Respondent, Zimmerman, operates three large motels in and near Harrisburg, Pa., HOLIDAY MOTOR HOTEL EAST, HOLIDAY MOTOR HOTEL WEST and HOLIDAY INN TOWN. (App. 14a, 35a)

Holiday Inns started in business with its first motel in July 1952 and applied for federal registration of its HOLIDAY INN service mark in December of that year. (App. 14a, 30a, 67a) Early in 1953, Holiday Inns granted franchises authorizing the building of licensed HOLIDAY INN motels throughout most of the United States, including Pennsylvania. The launching of this program was extensively and nationally publicized at that time. (App. 15a, 31a) In July 1954, the Patent Office granted Holiday Inns its first registrations for the HOLIDAY INN service mark. (App. 67a, 83a)

Zimmerman, a long-time motel operator, (App. 32a). owned the MOTEL HARRISBURG, near the Harrisburg East exit of the Pennsylvania Turnpike (App. 33a). In 1953 he built a new motel near the Harrisburg West exit of the Turnpike and called it THE HOLIDAY MOTEL. (App. 33a, 34a)

In 1957, Zimmerman changed the name of his MOTEL HARRISBURG to HOLIDAY EAST. (App. 35a) He renamed his other motel HOLIDAY WEST. (App. 35a) In 1965, he opened a new motel in downtown Harrisburg and called it HOLIDAY INN TOWN. (App. 23a, 35a) (See photo, App. 23a)

The present action was instituted in July 1963 when Zimmerman and certain dummy corporations owned by him filed suit to enjoin Holiday Inns, five of its licensees in Pennsylvania and one of its licensees in Virginia from using the name HOLIDAY INN anywhere along the length of the Pennsylvania Turnpike and within 100 miles of Harrisburg. (App. 13a, 24a)

Holiday Inns counterclaimed to enjoin Zimmerman's use of HOLIDAY INN TOWN because it infringed Holiday Inns' service mark, HOLIDAY INN, which is registered

under the federal Trademark Act of 1946, and to enjoin unfair competition. (App. 12a, 25a, 83a)

The Court of Common Pleas of Allegheny County (Pa.) made 22 findings of fact as to specific instances of actual confusion between Zimmerman's motels and the HOLIDAY INN system of motels. (App. 36a, 45a) On appeal, the Pennsylvania Supreme Court found "many instances of confusion". (App. 20a) Applying local law, the Pennsylvania Supreme Court decided that "Holiday" had acquired a secondary meaning in the Harrisburg area signifying Zimmerman's motels. (App. 18a-21a) The court enjoined Holiday Inns and its licensees from using the HOLIDAY INN mark within a 22 mile radius around Harrisburg. (App. 20a) The court refused to enjoin Zimmerman from using the name HOLIDAY INN TOWN. (App. 21a)

WHEN AND HOW FEDERAL QUESTIONS WERE RAISED

Question 1

In its answer to Zimmerman's complaint, Holiday Inns counterclaimed that HOLIDAY INN was its service mark and asked that Zimmerman be enjoined from using HOLIDAY INN TOWN because it infringed the HOLIDAY INN service mark. (R.*211a; App. 75a)

Holiday Inns filed proposed conclusions of law asking the court to hold that its federally registered HOLIDAY INN registration No. 592,539 and others were valid and that Zimmerman's HOLIDAY INN TOWN mark was likely to be confused therewith. (Conclusions Nos. 10 and 11; R. 3155a-3156a; App. 83a-84a)

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* R. refers to printed Record in Pennsylvania Supreme Court, pertinent portions of which are reproduced in the Appendix hereto.

Following adjudication on May 9, 1968, (App. 24a *et seq.*), Holiday Inns filed a Statement of Facts and Questions on June 20, 1968 setting forth its objections to the court's failure to make certain findings and conclusions. It contended, *inter alia*, that the court erred in failing to find that Zimmerman infringed Holiday Inns' federally registered HOLIDAY INN service mark. The Lanham Trademark Act was cited specifically in said Statement. (R. 3285a-3290a; App. 77a-82a) The Court of Common Pleas of Allegheny County failed to deal with the question of infringement of the federal statute but decided on the basis of local law that Zimmerman could continue to use the offending HOLIDAY INN TOWN mark. (App. 58a)

Holiday Inns again raised the question of infringement of its registered trademarks in the Pennsylvania Supreme Court by way of its briefs in that court. (Brief for Appellants 210 and 211, pages 86-105; App. 85a *et seq.*) The decision of that court fails to deal with the question of Zimmerman's infringement under the federal statute and, like the lower court, decided that under local law Zimmerman could continue to use HOLIDAY INN TOWN. (App. 21a, 55a)

Question 2

The question of whether Holiday Inns should be excluded from using or authorizing others to use its federally registered HOLIDAY INN service mark in portions of Pennsylvania was raised in Zimmerman's original complaint (R.32a) and was present throughout the case.

Both the court of first instance and the Pennsylvania Supreme Court dealt specifically with this proposition and granted Zimmerman exclusive local rights in an area around Harrisburg and excluded Holiday Inns from that area. (App. 18a-21a and 50a-55a)

Holiday Inns alleged unfair competition by Zimmerman in the Answer filed July 15, 1964 and thereafter continued to allege unfair competition throughout all of the proceedings in this case. (R.214a; App. 76a)

In its Statement of Facts and Questions of Law filed June 20, 1968 in the lower court (App. 77a), Holiday Inns relied principally on federal precedents. The lower court decided the case solely on Pennsylvania precedents without any reference to federal law. (App. 49a-54a)

With respect to confusion in trade, Zimmerman alleged in his complaint that the HOLIDAY INN service mark was being confused with his "Holiday" motels in Central Pennsylvania, along the Pennsylvania Turnpike and portions of arterial highways leading thereto. (R.30a, 32a, 110a-113a; App. 68a-73a) Holiday Inns denied such confusion. Holiday Inns did, however, urge that Zimmerman's HOLIDAY INN TOWN motel would be confused with its HOLIDAY INN service mark. (R.209a; App. 74a)

The Court of Common Pleas found numerous instances of persons thinking that the HOLIDAY INN motels and Zimmerman's motels were part of the same national chain but granted Zimmerman exclusive rights to the word "Holiday" as a name for motels in the Harrisburg area. (App. 36a-45a, 55a)

In its appeal to the Pennsylvania Supreme Court, Holiday Inns devoted a section of its brief to the need to protect the public against being misled and deceived in their selection of goods and services. (App. 105a-108a) That court failed to deal with the question of the public interest and decided the case in a manner that assures continued confusion in trade in the Harrisburg area. (App. 120a *et seq.*)

Holiday Inns presented an argument in the Pennsylvania Supreme Court based principally on decisions of federal courts, including this Court, stating the general law of unfair competition. (App. 85a-100a) The Pennsylvania Supreme Court disregarded those decisions and decided this case without reliance on any precedents other than two Pennsylvania cases which it cited in support of its ruling on "secondary meaning". It referred collaterally to two federal cases and distinguished the present case from two other federal cases. (App. 12a *et seq.*) It is a necessary inference that the Pennsylvania Supreme Court considered itself free to decide this case without regard to the federal statutes and decisional law relating to trademarks and unfair competition.

REASONS FOR GRANTING THE WRIT

1. **The Pennsylvania Supreme Court erroneously interposed local law in deciding a claim of infringement of a federally registered service mark which was therefore within the purview of the Federal Trademark Act, thus denying a federal registrant the relief to which it was entitled under said Act.**

Congress has exercised its power under the commerce clause (Constitution, Article I, § 8) to regulate trademarks in commerce by enacting the Trademark (Lanham) Act of 1946. (App. 8a, 9a)

Holiday Inns' HOLIDAY INN service mark is registered under Section 3 of that Act (Reg. No. 592,539, granted July 13, 1954, and others). Under Section 7(b), the mark is prima facie valid and Holiday Inns has the exclusive right throughout the United States to use same in commerce in connection with the services named therein, i.e. "motel services, namely, providing lodgings and meals in motels". (App. 67a) Patent Office records show that

Holiday Inns' registration of HOLIDAY INN has become incontestable under Section 15 of the Act. (App. 2a)

Subsequent to Holiday Inns' adoption of its HOLIDAY INN mark and its application to register same and after extensive national publicity regarding Holiday Inns, Zimmerman adopted the name HOLIDAY for a new motel he was building. In 1958, he dropped the name of his MOTEL HARRISBURG and renamed it the HOLIDAY EAST motel. In 1965, after the HOLIDAY INN motel system had gained great national popularity, Zimmerman built a third motel, in downtown Harrisburg, and named it HOLIDAY INN TOWN.

Holiday Inns contended that the name HOLIDAY INN TOWN infringed its federally registered HOLIDAY INN service mark and prayed for an injunction against Zimmerman's use of that name.

Under Section 32(1)(a) of the Trademark Act, a mark infringes a registered mark if it is "likely" to be confused therewith. In the present case, *actual* confusion was found. Despite the finding of actual confusion, the Pennsylvania courts disregarded the federal statute and applied local law. They held that Zimmerman had adopted HOLIDAY INN TOWN without intent to deceive, defraud and confuse the public and therefore denied relief. The statute does not require intent. Where confusion is present, there is infringement, regardless of the infringer's intent. *John R. Thompson Co.* v. *Holloway*, 336 F.2d 108, 115 (5th Cir. 1966); *Quality Courts United* v. *Quality Courts*, 140 F. Supp. 341, 347 (D.C., M.D. Pa. 1956)

We respectfully contend that the federal Trademark Act is controlling in these circumstances, that a state court is bound to follow that law in case of alleged infringement of

a mark registered under that Act, and that the interposition of local law was contrary to the decisions of this court.

Presumably, the Pennsylvania courts regarded themselves as free to disregard the federal statute and to apply their own law because Zimmerman's HOLIDAY INN TOWN motel operates within Pennsylvania.

This Court has already decided, in the context of civil rights legislation, that Congress has ample power under the commerce clause to legislate with respect to local activities which might have a substantial and harmful effect on interstate commerce. *Heart of Atlanta Motel Inc.* v. *United States*, 379 U.S. 241, 258 (1964). Thus the fact that Zimmerman's motels are located within the borders of one state does not exempt his activities from the reach of the applicable federal statute. *Dawn Donut Co., Inc.* v. *Hart's Food Stores, Inc.*, 267 F.2d 358, (2d Cir. 1959), *Stauffer* v. *Exley*, 184 F.2d 962 (9th Cir. 1950), *Pagliero* v. *Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952), *Pure Foods, Inc.* v. *Minute Maid Corp.*, 214 F.2d 792 (5th Cir. 1954), *Tiffany & Co.* v. *Boston Club, Inc.*, 231 F.Supp. 836 (D.C. Mass. 1964).

We submit that the federal Trademark Act is controlling in this case by reason of Holiday Inns' registration of its HOLIDAY INN service mark under that Act and that under the findings in this case, it was mandatory to hold that HOLIDAY INN TOWN infringes the petitioner's federally registered HOLIDAY INN service mark. We submit further that the Pennsylvania Court erred in interposing local law and, in reliance thereon, denying Holiday Inns the relief to which it is entitled under the controlling federal law.

The writ should be granted to assure that state courts accord litigants the relief to which they are entitled under

the applicable federal statutes in cases which are within the purview of such statute.

2. Congress has so preempted the field of trademarks and unfair competition in commerce that the Pennsylvania Supreme Court erred in relying on local rather than federal law to decide relative rights between the owner of a federally registered service mark and a junior user of similar unregistered marks.

As a man long experienced in the motel business (App. 32a), Zimmerman probably knew and certainly should have known about the petitioner's HOLIDAY INN motel and its widely publicized plans for a nationwide HOLIDAY INN motel system when he selected the name HOLIDAY. In any event, he definitely had such knowledge in 1957, when he changed the name of his MOTEL HARRISBURG to HOLIDAY EAST motel. By the time he opened his HOLIDAY INN TOWN motel, in 1965, the HOLIDAY INN name was practically a household word throughout the United States.

In 1958, Zimmerman filed suit against a Holiday Inns' licensee near Allentown, Pa. to enjoin the licensee's use of HOLIDAY INN on its motel. *Zimmerman* v. *B & C Motel Corporation*, 401 Pa. 278, 163 A 2d 884 (1960). (App. 62a *et seq.*) Zimmerman lost because he failed to show that the word "Holiday" had acquired a secondary meaning signifying his motels. The court noted:

> ". . . the letters and telegrams offered by the plaintiff (Zimmerman) as addressed to him are all but one addressed to 'Holiday Inn', which rather puts him unfairly in competition with defendant if the evidence is to be credited at all." (p. 887) (App. 66a)

If Zimmerman's HOLIDAY motels were being confused with HOLIDAY INN motels in 1958 and if there has been continuing confusion since that time, as the lower court's

findings show in the present case, it is self-evident that the granting of a privileged area to Zimmerman does nothing to reduce the public's confusion. The real effect of the court's decision in this case is to insure continued confusion in trade.

Travelers who desire to stay at a HOLIDAY INN motel downtown or along the Pennsylvania Turnpike in the Harrisburg area are barred from doing so because the court's order excludes HOLIDAY INN motels from that area. Would-be patrons of HOLIDAY INN motels are likely to patronize Zimmerman's HOLIDAY INN TOWN or one of his other associated HOLIDAY motels on the assumption that they are part of the national HOLIDAY INN system. This is beyond conjecture. The findings leave no doubt that travelers are confused. Each such instance of confusion is a fraud on the public.

Congress sought to protect the public against such deception when it enacted the Trademark Act of 1946. Rep. No. 1333, 79th Cong. 2d Sess. 1 (1946), U.S. Code Cong. Serv. 1946, p. 1274. The Pennsylvania courts disregarded the Trademark Act and the applicable federal decisions and declared their own local law, inconsistent therewith.

Contrary to federal law, the Pennsylvania courts found that the word "Holiday" had acquired secondary meaning as signifying Zimmerman's motels. Under federal decisions, long and exclusive use by one party is a prerequisite to acquisition of secondary meaning. *Shoppers Fair of Arkansas, Inc. v. Sanders Co.*, 328 F.2d 496, 499 (8th Cir. 1964). Zimmerman had no such exclusive use. He was, in fact, the latecomer and he expanded his use of the word "Holiday" to two additional motels long after the HOLIDAY INN motel system had gained immensely valuable national goodwill.

Under the Trademark Act, as construed by the federal courts, it is the federal registrant, not the latecomer, who is entitled to injunctive relief. The latecomer cannot expand his rights to the detriment of the federal registrant. *Dawn Donut Company* v. *Hart's Food Stores, Inc.*, 267 F.2d 358, 365 (2d Cir. 1959); *John R. Thompson Co.* v. *Holloway*, 366 F.2d 108, 116 (5th Cir. 1966); *Sterling Brewing Co., Inc.* v. *Spring Brewing Corp.*, 100 F.Supp. 412, 418 (D.C., Mass. 1951).

The Pennsylvania court has effectively nullified the policy of Congress; it has established a 1,500 square mile enclave within which confusion in trade is judicially condoned and perpetuated; a federal registrant has been deprived of his rights under the controlling federal law; and Zimmerman has been accorded judicial license to capitalize on the nationwide goodwill of the HOLIDAY INN system. As a result, Zimmerman is assured of the patronage of persons who are misled into thinking his motels are part of the HOLIDAY INN system because motels of the nationally known HOLIDAY INN system are excluded from the area in which his motels operate.

Aside from the unjust enrichment of Zimmerman and the fact that Holiday Inns is wrongfully excluded from doing business in Zimmerman's area, there is the question of the public's right to patronize whom it thinks it is patronizing, without being misled by a mark that is deceptively similar to a nationally known service mark.

Self-evidently, the Pennsylvania court's decision is injurious to the public interest as well as to Holiday Inns and to its licensees or would-be licensees in the vicinity of Harrisburg. No such result would have been reached had the court followed the applicable federal statute and decisions interpreting same. Under such federal law, a decision could have been reached which would have been fair to Zimmerman, fair to Holiday Inns and—above all—mind-

ful of the right of the public to know with whom it is dealing.

This is but one of the endless procession of federal and state decisions which are improvising new unfair competition law in the wake of *Erie RR.* v. *Tompkins*, 304 U.S. 64 (1938). *Maternally Yours* v. *Your Maternity Shop*, 234 F.2d 538, 540 ff. (2d Cir. 1956); Note: "The Choice of Law in Multistate Unfair Competition", 60 Harv. L. Rev. 1315 (1947); Charles Bunn, "The National Law of Unfair Competition", 62 Harv. L. Rev. 987 (1949); Joseph P. Briglia, "Choice of Law for the Tort of Unfair Competition", 57 TM Rep. 528 (1967).

Erie abolished "federal general common law". In the next case, decided the same day and in which Mr. Justice Brandeis spoke for the Court, as he did in *Erie*, the decision was predicated in part on "federal common law". *Hinderlider* v. *La Plata Co.*, 304 U.S. 92, 110 (1938). Ever since, the bench and bar have sought a satisfactory differentiation between "federal common law" and "federal general common law"—especially as it might bear upon the federal law of unfair competition.

Prior to *Erie*, the federal courts had evolved a vast body of decisional law having to do with "passing off" in interstate commerce. Some scholars have contended, on one theory or another, that this body of law survived *Erie*. Even Mr. Justice Brandeis seemed willing, after *Erie*, to consider federal precedents. In a footnote to *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111, 113 (1938), he said:

> ". . . But no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents."

Section 5 of the Federal Trade Commission Act (15 U.S.C. § 45) says:

> "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

Congress intended, by those words, to embrace what the federal courts had theretofore defined as "unfair competition". *FTC* v. *R. F. Keppell & Brother, Inc.*, 291 U.S. 304, 310-312 (1934). Did Congress thereby exercise its pre-emption power and insulate the federal decisional law of unfair competition against later abolition by *Erie*?

The "federal general common law", abolished by *Erie*, supra, (p. 80) was the "transcendental body of law" evolved by federal courts in diversity cases where there was no controlling local statute. We submit that this was a body of federal decisional law applicable to essentially local issues. It was separate from but paralleled the local decisional law applied in corresponding cases when they were tried in state courts. This "federal general common law" was swept away by *Erie*. Did that wipe out the federal decisional law in essentially non-local or interstate commerce? We cautiously and respectfully suggest that perhaps it did not. Perhaps the federal decisions, which fleshed out the bones of federal statute law, survived *Erie*. Perhaps, as in *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173, 176 (1942):

> ". . . the doctrine of that case (*Erie*) is inapplicable to those areas of judicial decision within which the policy of the law is so dominated by the sweep of federal statutes that legal relations which they affect must be deemed governed by federal law having its source in those statutes rather than by local law. *Royal Indemnity Co.* v. *United States*, 313 U.S. 289, 296;

> *Prudence Corp.* v. *Geist*, 316 U.S. 89, 95; *Board of Comm'rs* v. *United States*, 308 U.S. 343, 349-50; cf. *O'Brien* v. *Western Union Telegraph Co.*, 113 F.2d 539, 541. When a federal statute condemns an act as unlawful, the extent and nature of the legal consequences of the condemnation, though left by the statute to judicial determination, are nevertheless federal questions, the answers to which are to be derived from the statute and the federal policy which it has adopted."

In any event, Congress enacted Section 43(a) (15 U.S.C. § 1125(a)) as part of the Trademark Act of 1946 (App. 8a). This section, which makes false designations of origin actionable, seems broad enough to salvage something out of the assumed collision between *Erie* and the federal law of unfair competition. In *Federal-Mogul-Bower Bearings, Inc.* v. *Azoff*, 313 F.2d 405, 409 (6th Cir. 1963) the court said that the Trademark (Lanham) Act:

> ". . . does provide a right of action to persons engaged in interstate and foreign commerce, against deceptive and misleading use of common law trademarks, and against deceptive and misleading use of words, names, symbols, or devices, or any combination thereof, which have been adopted by a manufacturer or merchant to identify his goods and distinguish them from those manufactured by others, where such misleading use is carried on, in the channels of interstate and foreign commerce, which is subject to regulation by Congress."

Similarly, the Third Circuit said, with respect to Section 43(a), that:

> "It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be injured by such wrong the right to relief in federal courts." *L'Aiglon Apparel, Inc.* v. *Lana Lobel, Inc.*, 214 F.2d 649, 651 (3rd Cir. 1954)

The extent of Congress' preemption in the field of unfair competition urgently needs clarification. This field of law may well be within the doctrine of *Textile Workers Union* v. *Lincoln Mills*, 353 U.S. 448, 456-7 (1957) wherein this Court determined in a labor case that the substantive law to be applied is "federal law which the courts must fashion from the policy of our national labor laws." Federal interpretation of the federal law was held to govern in that case, not state law.

The *per curiam* decision of this Court in *Pecheur Lozenge Co.* v. *National Candy Co.*, 315 U.S. 666 (1942), remanded an unfair competition case for application of appropriate local law. The *Pecheur* case preceded enactment of the Trademark Act of 1946. Section 43(a) of that Act, coupled with Section 5 of the FTC Act, show that Congress intended to preempt the broad field of unfair competition in commerce. If such preemption makes the *Sola* and *Lincoln Mills* doctrines applicable in unfair competition which may lawfully be regulated by Congress—as we earnestly believe and urge—there is a pressing need for this Court to update its 28 year old, pre-Lanham Act *per curiam* ruling in *Pecheur*.

The Pennsylvania courts found, completely contrary to federal precedents, that Zimmerman's HOLIDAY marks acquired secondary meaning under circumstances of confusion in trade and that he did not infringe the petitioner's federally registered HOLIDAY INN mark because of no proof of wrongful intent. These holdings are irreconcilable with federal law and the Pennsylvania court erred in applying local law where federal law should be applied.

Is there a federal law of unfair competition? Did it survive *Erie*? Is it reincarnated through Section 43(a)? Is a state court bound to follow federal decisions which interpret the applicable federal statutes? Has Congress preempted the field of trademarks and unfair competition in commerce? Courts, litigants, legislators and the public would benefit through a definitive decision of this Court.

CONCLUSION

By relying upon local law to decide a case in which the application of federal law is mandatory, the Pennsylvania court reached two bizarre results:

(1) despite fact findings entitling a federal registrant to relief under the Federal Trademark Act, the registrant was denied such relief; and

(2) the registrant was excluded from using its service mark in the Harrisburg area despite fact findings which would require a contrary result under federal law.

These results were the consequence of the assumption that, notwithstanding federal statutes and decisions to the contrary, state courts may declare their own law in the fields of trademarks and unfair competition in commerce. In part, at least, this is due to the years of confusion, stemming from *Erie*, regarding the applicable law in such cases.

The federal and state courts, the bar and the public need and bespeak the definitive guidance of this Court. The petition should be granted.

Respectfully submitted,

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